

## MEMORANDUM FOR DISTRIBUTION

FROM: J. RICHARD SWEENEY  
OFFICE OF PROGRAM LIAISON AND FINANCIAL ANALYSIS

SUBJECT: Close-out of Completed and/or Canceled Construction Projects

We have reviewed your submission for the "Prior Year Construction Project Report" (Report) submitted to Congress in May 1997. Our review was similar to that performed last fiscal year in preparation for the Inspector General's financial statement audit. The Inspector General recommended that we continue our initiative to ensure that project costs accumulated in the construction work in progress (CWIP) account are removed in a timely manner. The Inspector General recognized that our Fiscal Years 1995 and 1996 initiatives have greatly improved the integrity of the CWIP account but have directed us to continue the analysis effort in FY 1997 to further improve valuation of the account. Our FY 1995 and FY 1996 initiatives, as well as efforts undertaken by your office in FY 1997, resulted in a reduction of approximately \$4.7 billion to the CWIP account and I would like to commend you for your assistance in achieving this reduction. As a result of the CFO community's combined efforts, we were able to work together to close out 315 completed or canceled projects which resulted in the \$4.7 billion reduction to the CWIP account.

Based on the review of the Report and the construction work in progress account, BSC 2311, completed and/or canceled projects have been identified for your office which must be removed from BSC 2311 by September 30, 1997. The Attachment lists those actions which we believe are necessary. The actions identified were included as a result of reviewing your submission for the Report. The "Comment" section of the Attachment documents our understanding of your planned actions related to the identified projects.

We continue to see the progress that has been made in improving the integrity of BSC 2311 with the preparation of this year's Report. As compared to the 177 projects identified in last year's Report, the new Report has identified 159 projects. Of the 159 projects, 74 have been determined to be either completed or canceled and require action to remove the projects from BSC 2311 by September 30, 1997. We appreciate your efforts in reviewing these prior year construction projects and executing the necessary accounting adjustments. The dedication and hard work exhibited by your staff during our prior initiatives greatly contributed to the Department's receipt of an unqualified opinion on its FY 1996 financial statements. The FY 1997 initiative will further contribute to the proper valuation of the construction work in progress account and allow us to meet our commitment to the Inspector General. Our goal is to have all accounting entries completed no later than September 30, 1997. These actions are necessary to help ensure the accuracy of the Department's financial statements.

Please reply to this memorandum by September 24, 1997. For each project listed in the Attachment, note actions that have been completed. Also, separately, identify for each project actions that will be completed by September 30. In some instances, we have identified projects with completion dates of third or fourth quarter FY 1997. If projects were not completed and/or financial closure is not possible prior to the end of FY 1997 please indicate the current status and anticipated close-out date in your response. In addition, if there are circumstances that would lead you to believe that a project(s) physically completed prior to third or fourth quarter FY 1997 will not be financially closed prior to the end of the fiscal year, please note specifics of the circumstance in your response. We realize that some projects have been included which have been closed in the field but are awaiting Headquarters action. These projects have been included for informational purposes only and require no action on your part. Extensions for replies cannot be granted due to the tight timeframes for completing this assignment. If you have any questions, please feel free to call Woody Fisher or Mindy Reader on 301-903-2551.

Attachments

CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS

ALBUQUERQUE		85-D-113		\$1		Major work completed. Expect project to be closed prior to 4th Q 1997.
		86-D-123		\$2,075,407		Planned construction completion 3/97. To be closed FY 1997.
		87-D-122		\$2,974,966		Transition to operations scheduled for 3rd Q 1997.
		88-D-125		\$243,499		Expect construction to be complete and transition to operations 4/97. Expect financial closure prior to end of FY97.
		90-D-126		\$752,571		Project complete. Remaining uncosted will be deobligated when financial close-out documents are received.
		92-D-102		\$12,605,233		4 subprojects: (1) Gasline Repl. abandoned; (2) Robotics Mfg Science & Engineer complete/ financial closure anticipated 1997; (3) Static VAR Compensators planned completion 1997. (4) Gas Line B planned completion 1997.
		84-D-200		\$15,724		Project completed 4th Q 1997.

CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS
CHICAGO		92-G-304		\$131,781		Fermilab portion to be complete FY97. BNL portion complete.
		94-G-302		\$614,330		Complete 6/96. Anticipate financial closure 3rd Q 1997.
		91-E-304		\$4,426,852		Completed 7/96. Financial closure expected FY97.
		91-E-601		\$1,130,942		Completed 1/96. Financial closure expected FY97.
		91-E-602		\$5,420,536		Beneficial occupancy 9/30/96. Financial closure expected FY97.
		93-E-632		\$1,837,850		Construction complete 3rd Q97. Expect financial closure by end of FY 97.
		95-E-601		\$1,628,860		Completed 1/96. Project currently awaiting subcontract close-out.
		87-R-130		\$635,034		Project complete.
		87-R-411		(\$67)		Project complete. To be financially closed 3rd Q 1997.
		90-R-107		\$3,458,642		Project completed 3rd Q 1997. Financial closure expected 4/1/97.

CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS

**CHICAGO**

92-E-309	\$3,281,478	Physical completion anticipated in 1st Q FY97. Financial closure anticipated in FY 1997.
93-E-315	\$2,834,133	Construction completion expected 3/97. Financial closure expected end of FY97.
93-E-325	\$4,413,498	Completion/close-out to occur by end of FY97.
94-E-335	\$5,814,077	Anticipate project completion/ close-out in 9/97.
92-E-200	\$1,840,036	Anticipate physical /financial completion in FY97.
88-D-154	\$33,070	Project terminated. In close-out for past 3 years. CH expects 3-4 years to close.

CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS

**IDAHO**

82--D-136

\$734

Ongoing litigation. NOTE:  
Is construction complete?

87-D-177

(\$7,708)

Construction complete 9/30/95.

93-D-172

\$13,406,089

Beneficial occupancy achieved  
10/96.

CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS

NEVADA	85-D-105	\$576,964	Complete. Variances w/ USACE being addressed by HQ.
	92-D-102	\$8,374,768	Complete as of 7/96. Anticipate financial closure during FY97.

CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS

**OAKLAND**

92-G-305	\$128	Completed 3rd Q 1996. To be financially closed during 1997.
94-G-302	\$199,942	Complete. Expect financial closure 2nd Q 1997.
90-R-111	\$25,445	Completed 8/95. Expect financial closure 3rd Q 1997.
91-E-314	\$11,087	Complete. Excess funds will be returned to HQ in FY97.
91-E-323	\$117,097	Complete. Ongoing arbitration.
92-E-332	\$185,831	Complete. Uncosted obs of \$1315 were deobligated and returned to HQ during FY96.
93-E-305	\$1,557,965	Completed in 9/94. To be financially closed in 3rd Q FY97.
94-E-305	\$1,637,322	Complete. SLAC portion financially closed . LBL expect physical completion/financial close-out 4th Q FY97.
92-D-402	(\$1)	Completed during FY96. Field initiated financial close-out 3rd Q FY97. NOTE: Actual balance is (\$14).



CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS
OAK RIDGE		87-R-203		\$33,800,927		Completed 2nd Q FY95.
		86-R-801		\$194,589		Complete. Closed in field. Awaiting HQ action.
		93-E-633		\$8,489,876		Complete.
		87-R-759		\$291,622		Completed in 9/90. Financial closure anticipated FY97.
		94-E-201		\$5,606,504		Complete. Expect project to be financially closed during FY97.
		76-008G		\$364,195		Canceled in FY85. Close-out tasks to be performed. Expect closure FY97.
		84-N-405		\$587,993		Physical completion 4th Q FY93. Remaining settlement of sub- contractor claims. Anticipate settlement end of FY97.
		89-N-501		\$2,305,583		Complete. Financial close-out taken place in field. Awaiting HQ action.
		91-U-206		\$60,176		Complete. Financial close-out to occur in FY97.
		82-D-107		(\$138,110)		Construction completed 4th Q FY94. Expect close-out during FY97.

CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS
OAK RIDGE		82-D-124		(\$98,919)		Construction completed 4th Q FY86. Expect close-out during FY97.
		84-D-124		\$5,117		Complete. Expect project to be financially closed in FY97.
		85-D-112		(\$349,562)		Completed 2nd Q FY91. Expect financial closure in FY97.
		85-D-121		(\$47,362)		Construction completed 1st Q FY97.
		89-D-122		\$17,056		Complete. Awaiting closing statement of costs. Expect \$117,000 to be available for return to HQ.
		93-D-174		\$823,377		Project complete and closing statement has been issued.
		94-D-405		\$127,824		Construction completed in FY96. Closing statement of costs issued.
		94-D-406		\$1,671,909		Substantially complete in FY96. Closing statement of costs expected in FY97.

CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS

**RICHLAND**

91-E-322

\$9,866,563

To be completed /financially closed 9/97.

92-D-187

\$22,256,633

Anticipate physical completion 7/97. Financial closure expected FY97.

95-D-408

\$218,655

Construction essentially complete.  
**NOTE: PLEASE PROVIDE STATUS OF PROJECT.**

CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS

**ROCKY FLATS**

85-D-115

\$7,674

Construction completed/project closed out. Negative balance mischarge to be corrected in FY97.

88-D-126

(\$7,353)

There is an (\$840) uncostered balance on EG&G contract due to a mischarge to project 85D115 to be corrected during FY97. Remaining uncostered of \$1000 will be deobligated and returned to HQ.

CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS

SAVANNAH RIVER		79-001P		\$1,458,151		Complete. Financial closure expected in FY97.
		81-T-105		\$62,197,147		Estimated completion date 3rd Q FY97. All funds required for start-up/operational activities to close.
		85-D-145		\$20,114,803		Work necessary to cancel. Scheduled for completion 4th Q FY97.
		86-D-149		\$24,212,501		Complete.
		89-D-140		\$7,192,144		To be completed 4th Q FY97.
		92-D-150		(\$950,775)		To be completed 4th Q FY97.
		92-D-153		\$1,688,250		To be completed 2nd Q FY97.
		93-D-152		\$158,778		Minimal funding in FY97 for closure activities on open subproject.

## CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS

Project Number	Project Name	Project Status	Project Budget	Project Completion Date
90-D-126		Complete.	(\$131)	
85-D-140		Completed 7/94. Financially closed in field. Awaiting HQ action.	(\$2,308,546)	
86-D-149		Completion date changed to 1st Q FY97. Expect close-out during FY97.	\$28,771,213	
89-D-126		Uncosted balance of \$140,037 will be costed during FY97.	\$1,989,485	

**NOTE: PLEASE PROVIDE STATUS OF PROJECT.**

CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS

GOLDEN		95-E-103		\$2,672,827		To closed during FY97.
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CONSTRUCTION PROJECTS TO BE CLOSED FROM CWIP, BSC 2311, DURING FY 1997

FIELD OFFICE		PROJECT NUMBER		CWIP BALANCE		COMMENTS

SNR		90-N-104		\$4,466,808		Financial closure expected in 4th Q FY97.
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